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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financial performance report of the United Nations Logistics Base at Brindisi

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 2000 to 30 June 2001. The General Assembly, by its resolution 54/278 of 15 June 2000, approved the cost estimates of $9,317,400 gross ($8,481,300 net) for the same period.

By the same resolution, the Assembly decided to apply the unencumbered balance of $451,800, interest income of $114,000 and miscellaneous income of $1,166,000 ($1,731,800 in total) for the period from 1 July 1998 to 30 June 1999 to the resources required for the period from 1 July 2000 to 30 June 2001 and to prorate the balance of $7,585,600 gross ($6,749,500 net) among the individual active peacekeeping operation budgets to meet the financing requirements of the Logistics Base for the period from 1 July 2000 to 30 June 2001. These amounts are reflected in the respective performance reports.

Expenditures for the period totalled $7,755,000 gross ($7,067,000 net), resulting in an unencumbered balance of $1,562,400 gross ($1,414,300 net). The unencumbered balance resulted mainly from civilian personnel costs, operational requirements and staff assessment.

The action to be taken by the General Assembly in connection with the financing of the Logistics Base is set out in paragraph 15 of the present report.

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I. Introduction

1. The budget for the financing of the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 2000 to 30 June 2001 was set out in the report of the Secretary-General dated 1 February 2000 (A/54/733) and amounted to $9,317,400 gross ($8,481,300 net). It provided for a civilian establishment of 23 international staff (10 Professional and 13 Field Service) and 83 locally recruited staff. It also provided for alterations, renovation and maintenance of premises, transport, communications and other types of equipment, contractual services and electronic support for the Logistics Base. The Secretary-General proposed that the expenditures for the period be prorated among the individual active peacekeeping operation budgets to meet the financing requirements of the Base for the period from 1 July 2000 to 30 June 2001.

2. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 31 of its report of 10 April 2000 (A/54/841/Add.8), recommended that the General Assembly approve the Secretary-General's proposals, i.e. the budget of $9,317,400 gross ($8,481,300 net), apply the unencumbered balance of $451,800, the interest income of $114,000 and the miscellaneous income of $1,166,000 ($1,731,800 in total) for the period from 1 July 1998 to 30 June 1999 and prorate the resulting balance of $7,585,600 gross ($6,749,500 net) among the individual active peacekeeping budgets to meet the financing requirements of the Logistics Base for the period from 1 July 2000 to 30 June 2001.

3. By its resolution 54/278 of 15 June 2000, the General Assembly approved the cost estimates in the amount of $9,317,400 gross ($8,481,300 net) for the period from 1 July 2000 to 30 June 2001. The Assembly also decided to apply the unencumbered balance of $451,800, the interest income of $114,000 and the miscellaneous income of $1,166,000 ($1,731,800 in total) for the period from 1 July 1998 to 30 June 1999 to the resources required for the period from 1 July 2000 to 30 June 2001 and to prorate the balance of $7,585,600 gross ($6,749,500 net) among the individual active peacekeeping operation budgets to meet the financing requirements of the Logistics Base for the period from 1 July 2000 to 30 June 2001. A breakdown of these resources is shown in table 1.

Table 1
Amounts provided by peacekeeping operations
(United States dollars)

Peacekeeping mission	*Amount*	
	Gross	*Net*
United Nations Peacekeeping Force in Cyprus (UNFICYP)	322 085	286 584
United Nations Disengagement Observer Force (UNDOF)	274 295	244 062
United Nations Interim Force in Lebanon (UNIFIL)	1 089 216	969 161
United Nations Observer Mission in Angola (MONUA)	1 138	1 012
United Nations Iraq-Kuwait Observation Mission (UNIKOM)	391 038	347 937
United Nations Mission in the Central African Republic (MINURCA)	530	473
United Nations Mission for the Referendum in Western Sahara (MINURSO)	365 778	325 461
United Nations Observer Mission in Georgia (UNOMIG)	222 865	198 300
United Nations Mission in Sierra Leone (UNAMSIL)	3 741 370	3 328 988
United Nations Mission in Bosnia and Herzegovina (UNMIBH)	1 177 285	1 047 522
Total	**7 585 600**	**6 749 500**

II. Implementation of the budget

4. By its resolution 54/278, the General Assembly also authorized a civilian establishment consisting of 23 international (10 Professional and 13 Field Service) and 83 locally recruited staff. During the year under review, there was an average vacancy rate of 29 per cent among the international staff as a result of delays in recruitment occasioned by an inability to attract qualified staff to the location. The situation was further aggravated by the routine assignment of Logistics Base staff on temporary duty or their reassignment to other missions on a long-term basis to provide technical and administrative support. The limited staffing resources, coupled with the increased level of activities in air operations, training, transport and logistics, placed additional strains on the remaining staff, particularly those in personnel, finance, procurement and the liaison office.

5. Despite the above-mentioned constraints, the Logistics Base was able to respond quickly to the requirements for the newly established United Nations Mission in Ethiopia and Eritrea (UNMEE) and assist in the expansion of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC), the United Nations Interim Administration Mission in Kosovo (UNMIK) and the

United Nations Mission in Sierra Leone (UNAMSIL). It handled 477 outgoing shipments in support of various missions, other assessed operations, the Field Administration and Logistics Division at United Nations Headquarters and other non-Secretariat entities. The outgoing shipments, valued at $103,469,585 and weighing 10,499,896 kilograms, were distributed as follows: $98,780,413 to missions, $730,386 to other assessed operations, $165,382 to Headquarters and $3,793,404 to other non-Secretariat entities. Sixty-eight per cent ($69,999,721) of the outgoing shipments represented trans-shipments, 29 per cent ($30,050,872) was derived from the Field Administration and Logistics Division reserve and start-up kits and the remaining 3 per cent ($3,418,992) was made up of personal effects, repaired equipment and shipments for the World Food Programme. Of the amount trans-shipped, physical inspections were carried out and receiving and inspection reports were issued for items valued at $46,826,909 prior to trans-shipment to recipients. This procedure has been in effect since October 2000.

6. A total of 1,737 incoming shipments, valued at $134,754,549 and weighing 16,715,518 kilograms, were also processed. These incoming shipments were made up of equipment valued at $24,067,628 from peacekeeping missions, $110,583,780 from local and international vendors and $103,141 from Headquarters. Of the incoming shipments relating to peacekeeping missions, the Logistics Base issued purchase orders for shipments valued at $9,262,801. The total number of receiving and inspection reports issued for the period under review was 1,675.

7. The Logistics Base continued its task of maintaining two mission start-up kits, refurbishing, maintaining and storing serviceable assets from liquidating missions, as well as the preservation of equipment. The items redistributed to peacekeeping missions included generators, refrigerated containers, accommodation tents, prefabricated accommodation, ablution and kitchen units, Rubb Halls for storage and various expendable supplies.

8. Additional storage space was provided at the Logistics Base by the installation of Rubb Halls to accommodate used assets, including assets valued at $4,409,500 received from the liquidation of the International Civilian Support Mission in Haiti (MICAH) in five consignments.

9. By paragraph 9 of its resolution 52/1 B of 26 June 1998, the General Assembly approved the resourcing policy whereby provision is included in liquidation budgets for the cost of repair, refurbishment and preservation of equipment equal to 30 per cent of the total depreciated value of the equipment to be transferred to the Logistics Base. However, only an amount of $205,000 was made available by MICAH for the refurbishment of its used assets, of which $100,000 was utilized for refurbishment of assets destined for MONUC.

10. The enhancement of the communications hub has continued with the installation and commissioning of a second 9.3 metre satellite antenna in April 2001 and the upgrading of various other components. These enhancements have improved the system's traffic carrying capability and the quality of service to the various missions, especially to the United Nations Transitional Administration in East Timor (UNTAET). This unit was required for UNTAET traffic, as it relays the Indian Ocean Region carrier to the Atlantic Ocean Region for connection of UNTAET to United Nations Headquarters. A new Network Control Centre has been established by the adaptation of existing premises, to house expanded telephone exchange equipment in order to provide services to MONUC, and a telephone exchange

laboratory for the purpose of training staff at the Logistics Base training facility. The Network Control Centre also provides additional space to expand the server room to cope with new projects being introduced as a result of advances in information technology. The Local Area Network has also been upgraded by replacing some of the major segments with fibre optic cabling and the installation of a 100 megabyte wireless laser link. It is noted that since these enhancements have been made, for the most part, with specific missions in mind, they have been financed accordingly.

11. The training facility has been undergoing renovation and consequently some training activities were temporarily relocated. Nevertheless, support was provided for a total of 26 training courses which were organized in cooperation with the Field Administration and Logistics Division. Of these, nine were financed from the Logistics Base budget at a cost of $37,000, while 17 were financed through inter-mission billing. The courses, which covered logistics, communications, electronic data processing and finance, involved 346 participants from 20 United Nations operations, including the Logistics Base.

12. Although air operations are not a core function of the Logistics Base, the Base managed the tasking of eight IL-76 fixed-wing aircraft provided to MONUC under letter of assist, three of which were based on site. The aircraft were used for the transport of large quantities of goods between Brindisi and UNAMSIL, MONUC and UNMEE as well as for transport services to the United Nations Troop Supervision Organization, UNMIK, UNMIBH, UNTAET and MICAH.

III. Financial performance report for the period from 1 July 2000 to 30 June 2001

13. As indicated in table 2, from the apportionment of $9,317,400 gross ($8,481,300 net) for the financing of the Logistics Base for the period from 1 July 2000 to 30 June 2001, expenditures amounted to $7,755,000, including $2,373,900 in unliquidated obligations. The resulting unencumbered balance represents, in gross terms, 17 per cent of the amount apportioned. Annex I to the present report contains the financial performance information for the period by budget line item. Supplementary information on significant variances is presented in annex II. Annex IV contains a chart showing apportionment and expenditure by main budget groups.

Table 2
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Civilian personnel	4 471.7	3 620.1	851.6
Operational requirements	3 966.6	3 407.2	559.4
Other programmes[b]	43.0	39.7	3.3
Staff assessment	836.1	688.0	148.1
Gross requirements	**9 317.4**	**7 755.0**	**1 562.4**
Income from staff assessment	(836.1)	(688.0)	(148.1)
Net requirements	**8 481.3**	**7 067.0**	**1 414.3**
Voluntary contributions in kind (budgeted)	-	-	-
Voluntary contributions in kind (non-budgeted)	-	-	-
Total resources	**9 317.4**	**7 755.0**	**1 562.4**

[a] Includes an amount of $2,373,900 in unliquidated obligations.
[b] Excludes personnel.

14. Information on the deployment of civilian personnel during the reporting period is given in table 3 and annex III.

Table 3
Authorized staffing, incumbency and vacancy rates for the period from 1 July 2000 to 30 June 2001

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
International staff	23	16	29
Local staff	83	82	1

IV. Action to be taken by the General Assembly at its fifty-sixth session

15. **The action to be taken by the General Assembly in connection with the financing of the United Nations Logistics Base is a decision to apply the unencumbered balance of $1,562,400 gross ($1,414,300 net), interest income of $323,000, other/miscellaneous income of $35,000 and savings on or cancellation of prior period obligations of $285,000 to the resources required for the period from 1 July 2002 to 30 June 2003.**

Annex I

Financial performance report for the period from 1 July 2000 to 30 June 2001: summary statement

(Thousands of United States dollars)

	Category of expenditure	(1) Apportionment[a]	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) = (1 - 3) Variance
I.	**Civilian personnel**				
	International and local staff	4 471.7	-	3 620.1	851.6
	Total, category I	**4 471.7**	**-**	**3 620.1**	**851.6**
II.	**Operational requirements**				
	1. Premises/accommodations	1 029.8	361.2	898.9	130.9
	2. Transport operations	374.9	137.2	259.9	115.0
	3. Communications	727.4	244.3	628.5	98.9
	4. Other equipment	1 160.5	719.1	1 015.6	144.9
	5. Supplies and services	629.0	-	559.6	69.4
	6. Air and surface freight	45.0	-	44.7	0.3
	Total, category II	**3 966.6**	**1 461.8**	**3 407.2**	**559.4**
III.	**Other programmes**				
	Training programmes	43.0	-	39.7	3.3
	Total, category III	**43.0**	**-**	**39.7**	**3.3**
IV.	**Staff assessment**	836.1	-	688.0	148.1
	Gross requirements, categories I - IV	**9 317.4**	**-**	**7 755.0**	**1 562.4**
V.	**Income from staff assessment**	(836.1)	-	(688.0)	(148.1)
	Net requirements, categories I - V	8 481.3	1 461.8	7 067.0	1 414.3
VI.	**Voluntary contributions in kind (budgeted)**	-	-	-	-
VII.	**Voluntary contributions in kind (non-budgeted)**	-	-	-	-
	Total	**9 317.4**	**1 461.8**	**7 755.0**	**1 562.4**
VIII.	**Other income/adjustments**				**Amount**
	Interest income				323.0
	Other/miscellaneous income				35.0
	Voluntary contributions in cash				-
	Prior period adjustments				-
	Savings on, or cancellation of prior period obligations				285.0
	Total, category VIII				**643.0**

[a] Based on financing arrangements set out in paragraph 9 of General Assembly resolution 54/278.

Annex II

Supplementary information on significant variances

Civilian personnel

Apportionment: $4,471,700; expenditure: $3,620,100; variance: $851,600

1. The unutilized balance of $851,600 was due mainly to an average vacancy rate of 29 per cent among the international staff and the effect on local salaries of fluctuations in the exchange rates. The high vacancy rate was due to delays in recruitment arising from difficulties in attracting qualified staff to the duty station and to the absence of staff on temporary duty to other missions. Ten staff members were away on assignments for periods ranging from 8 days to 9.5 months during the period. The table below lists the missions to which staff members were deployed for periods of 3 to 9.5 months:

Deployed to	*Number of staff*
United Nations Mission in Ethiopia and Eritrea (UNMEE)	3
United Nations Transitional Administration in East Timor (UNTAET)	1
United Nations Mission in Sierra Leone (UNAMSIL)	1
Total	**5**

Operational requirements

Apportionment: $3,966,600; expenditure: $3,407,200; variance: $559,400

2. The unutilized balance of $559,400 was due to lower actual requirements under premises/accommodations ($130,900), transport operations ($115,000), communications ($98,900), other equipment ($144,900), supplies and services ($69,400) and freight ($300).

Premises/accommodations

Apportionment: $1,029,800; expenditure: $898,900; variance $130,900

3. The unutilized balance under this heading accrued from the non-replacement of a pit trap which, upon inspection, was found to be still serviceable and to lower actual cost for the fire safety equipment installed.

Transport operations

Apportionment: $374,900; expenditure: $259,900; variance: $115,000

4. The unutilized balance under this heading was due primarily to a change in the number and types of vehicles purchased and to cancellation of the requirement for material handling equipment which was acquired in the prior period as an immediate operational requirement. It was decided to purchase the vehicles locally in order to meet local safety and emissions standards. Furthermore, the requirements for spare

parts repairs and maintenance were lower than anticipated, as the light vehicle fleet is now going through a replacement cycle and the purchase of spare parts for new vehicles was postponed.

Communications

Apportionment: $727,400; expenditure: $628,500; variance $98,900

5. The unutilized balance under this heading was due to a change in the type and cost of some items of equipment purchased, lower prices for workshop and test equipment, lower actual requirements for spare parts repairs and maintenance and more favourable exchange rates overall.

Other equipment

Apportionment: $1,160,500; expenditure: $1,015,600; variance: $144,900

6. The unutilized balance under this heading resulted primarily from lower actual requirements for data-processing equipment, offset by increased requirements for office furniture for short-term staff and for miscellaneous equipment.

Supplies and services

Apportionment: $629,000; expenditure: $559,600; variance: $69,400

7. The unutilized balance under this heading was due primarily to lower actual costs and favourable exchange rates for some contractual services such as garbage collection, cleaning and pest control services, inspection and repair of office equipment as well as for data-processing services. The related savings were offset by increased requirements under miscellaneous supplies for packaging materials.

Other programmes

Training

Apportionment: $43,000; expenditure: $39,700; variance: $3,300

8. Detailed information on training undertaken during the period under review is shown below:

Description of training	*Expenditure (United States dollars)*	*Number of persons trained*	*Venue*
Logistics training	13 203	20	UNLB[a]
Introduction to CISCO router configuration	8 474	4	UNLB[a]
Maintenance of Toyota 4 x 4 vehicles	1 080	3	UNLB[a]
Management workshop	1 229	1	Cyprus
Management workshop for Chief Procurement Officers	1 291	1	Cyprus
Maintenance of Lyon trucks	4 992	2	Lyon
Vehicle maintenance	2 099	2	UNLB[a]

Description of training	*Expenditure (United States dollars)*	*Number of persons trained*	*Venue*
Air operations — pushback/towing	4 660	2	UNLB[a]
FALD travel erroneously recorded under training	2 700		
Total	**39 728**	**35**	

[a] United Nations Logistics Base at Brindisi, Italy.

In view of the Logistic Base's support functions to peacekeeping operations, the training offered in communications, logistics, supply and property management, transport and procurement were very useful to Base personnel. In particular, the immersion concept used in the conduct of the communications course offered an excellent combination of theory and practice, provided the staff with an opportunity to improve their knowledge and should have a positive impact on the services provided by the communications hub. The logistics and management workshops provided a good introduction to warehouse management and covered all the important functions related to transfer and management of supplies and property. The emphasis on training in these areas is necessary to strengthen the Base's capacity in light of the large volume of cargo and assets processed routinely. Base functions also include the refurbishment of vehicles and other assets. The courses in transport were conducted by the manufacturers of various vehicles and allowed the technicians to practise their skills in a more efficient manner. The course in procurement was aimed at improving supervisory skills and should prove useful, as the Base now handles not only its own procurement but undertakes some procurement activities on behalf of other missions as well.

Staff assessment

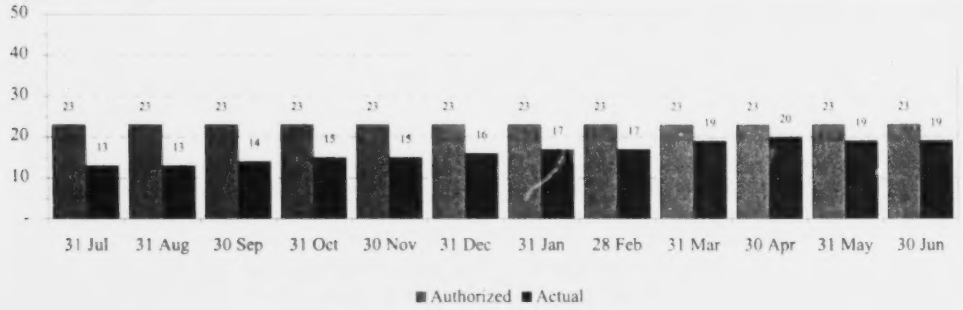
Apportionment: $836,100; expenditure: $688,000; variance: $148,100

9. The unutilized balance under this heading was due to vacancies among the international staff and exchange rate fluctuations in respect of local staff.

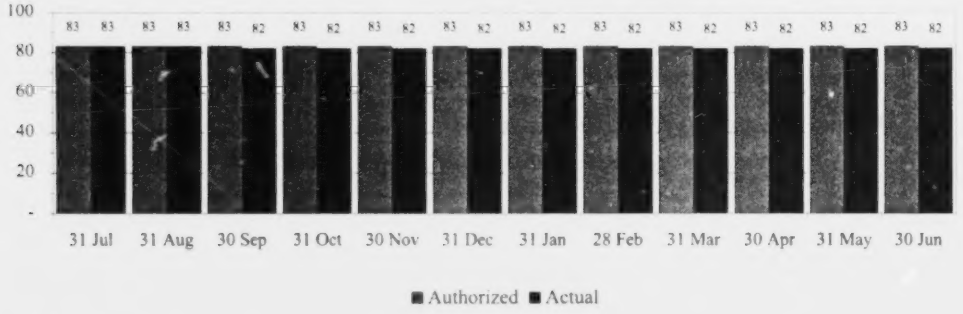
Annex III

Planned and actual deployment of civilian and military personnel for the period from 1 July 2000 to 30 June 2001

1. International staff



2. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 2000 to 30 June 2001